ACLT - Keiro

Please review the questions below and send your responses by the end of the day on **Friday, November 11th, 2022**.

Design

- Can you tell us a little more about your thought process of building 4 buildings instead of 2 or 1 for the site?

  The goal behind dividing the building into four buildings versus two is to make sure that ACLT can account for different community uses. Based on our initial community conversations two divergent uses came up: senior housing and family housing. Given that it is our goal to provide high-quality affordable housing for a variety of resident types and family sizes to address the displacement of African American community, we think that providing more buildings will allow us to meet this goal.

  So, while larger blocks of buildings might be more efficient from a construction perspective, we believe that we can accomplish more from a community perspective by providing more choice. By providing four buildings, each building can potentially become a different housing typology, which would satisfy the community's needs for senior housing and family housing.

- Have members of the community already been involved in the design of the project so far?
  Yes. We have met with the community on three occasions so far. See the attached for the deliverables from those meetings, which were held on August 16 and 23, 2022. We also met with the community on Benu Day September 3, 2022, to show them the designs that were proposed by the architects, the approach that ACLT intended to take and how the community could give tangible feedback to ACLT.

- What have you learned about from you community engagement so far?
  The community has said that they want the following values expressed in the architecture and on the site:
  - **Honor the communities that have used, stewarded, and been displaced from the site and neighborhood prior to ACLT's ownership**
  - **Develop architecture that provides justice both in its execution and process with a new sustainable building with high quality design**
  - **Reinforce the current use patterns in the neighborhood and character**
  - **Incorporate and preserve existing landscape materials within publicly accessible courtyard open space areas and community spaces**
  - **Address the building's height and configuration to increase usable open space while retaining the arboreal character of the existing site by maintaining, celebrating, and restoring historic trees and activating streetscape through increased setbacks and extensive landscaping.**

- Can you explain more about your cross-community planning process and engagement. Where are you in that process?

See above. We have begun and will continue active community engagement. We believe that the engagement to date is in line with the expected level of engagement for the Department of Neighborhood (DON) process.

In addition, we hold monthly meetings with the community to solicit feedback about our processes along with any thoughts the community might have regarding feedback.

- Do you plan to do this in 2 or more financial cycles/phases?
  If we needed to do the development in two phases we would do so. However, it is our preference to do the development (if possible) as a single-phase development. There is a great need for affordable housing in our community. As such, we expect that doing this in two phases will not address the large scale and systemic need for housing in the community.

Relocation

- What is the relocation plan for the current residence?
  At present, the plan with the shelter residents has been to place the residents into permanent, long-term residences. At present, we have serviced over 150 residents. There are currently 60 residents at any given time. It has never been the intention of the shelter to provide permanent residences to any of the tenants. Each of the tenants is only there for a limited amount of time. The general expectation is that permanent housing will be found by the tenants.

- How long are your service contracts? Can you share copies of those contracts?
  The service contracts are exactly one year long. We have attached a copy of this year's contract to these responses.

Operating/Programming

- In the pre-application you mentioned senior housing but, in your application, there is no mention of senior housing. Have your plans about providing senior housing changed? If so, why the change?
  The process to create senior housing would require significant operating support in the form of project-based vouchers. Senior housing is typically 30% AMI or less. In addition, senior housing works best with the support of 9% (not 4%) credit in the absence of sufficient operating support with project-based vouchers. Does the Office of Housing have any objections to the project using the 9% credit in one building to create senior housing?

  As I stated previously, the senior housing units work best at 30% AMI, but no higher than 50% AMI as most seniors have fixed incomes which would be defined as extremely low-income housing. It is for this reason that we know we'll have to come up the ko

  Besides the 202 programs, does the city know of any agencies that have available vouchers for ACLT to use to support the operations? The 202 programs would require that all of the units are no more than 30% AMI. Identifying any non- 202 sources would assist us greatly in getting a senior housing development completed.

- Can you update your bylaws to add a housing mission?

  We are willing to change our bylaws to add a housing mission. We do think that the mission to provide housing is in our current mission statement which is to: Africatown Community Land Trust's mission is to acquire, develop, and steward land in Greater Seattle to empower and preserve the Black Diaspora community.

  By the acquisition of land assets, the intention is to ensure that the organization can provide housing to the community. I have also attached our annual report (2021) for greater context about the work being done by ACLT.

Budget

- Demolition costs are not being modeled currently in your budget. Can you provide an explanation of why? Is it being included in another line item?

  Per the contractor the cost of demolition is included in the overall price. The contractor noted that they did not break the cost out due to how the cost estimate and categories were put together, but they did confirm that the cost to demolish the existing structures was included in the overall pricing submitted for the application.

Financing

- Have you thought about how ACLT will secure debt and investors for this project?

  The goal of ACLT is to secure our soft sources of financing first and then seek financing partners as needed for the hard debt financing – if needed. However, we have been in conversation with National Equity Fund (NEF) regarding the LIHTC investment. NEF has been providing financing guarantees for LIHTC projects with BIPOC principals and developers. NEF is currently offering a standby guarantee facility to support BIPOC developers and pairing that with debt guarantees from Umpqua Bank.

  Here is what the facility will offer:
  - **If Enterprise is the syndicator, it will offer guarantees for upper tier investors.**
  - **The guarantees are for developers with less than $1M balance sheet.**
  - **Philip Porter (West) is the contact**

  Another possible option we have been working through includes guarantee facilities being provided by Amazon.

  Finally, we believe that this project will score well as a standalone BIPOC developed project in the upcoming bond round with the Washington State Housing Finance Corporation. Given that it is a priority for them to work with BIPOC developers to ensure that the need for guarantees is not a hurdle to project completion.

  I do note that if we need to do so, we will be seeking a partner on this deal. However, as stated previously securing the soft debt puts ACLT in a better negotiating position with potential partners if we have secured everything but the credit. A better negotiated deal means more fees to the organization, which in turn means that ACLT will have a better opportunity to retain

the developer fees we need to sustain our organization over the long term and meet the social mission and impact of ACLT.

- You have modeled $19M dollars from the State Housing Trust Fund. Can you explain more about your thought process, given the $5M limit per project and $10M per sponsor limit. Is this $19M inclusive of your current earmark?
  The $19M requested includes the current earmark of funds from Commerce. Per Commerce, this made our project a "prior awardee," and eligible to submit in this round. In addition, based on Commerce's goals, this project scores very competitively.